

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY'S)	
REQUEST FOR A DEVIATION FOR)	CASE NO.
BALLARDSVILLE GAS TRANSMISSION PIPELINE)	2004-00006

O R D E R

The Louisville Gas and Electric Company ("LG&E") filed a letter January 5, 2004 petitioning the Commission for approval, under 49 CFR Part 190.9, of the replacement of approximately 352 feet of a 12-inch diameter high pressure gas transmission pipeline known as the Ballardsville Gas Transmission Pipeline ("Ballardsville"). Federal pipeline safety regulations 49 CFR Part 192.150 entitled "Passage of Internal Inspection Devices" require that the replacement of any pipeline component be designed to accommodate the passage of instrumented internal inspection devices. Pursuant to the provisions of 49 U.S.C.A. § 60118, the state authority, acting under an agreement with the U.S. Secretary of Transportation, may waive compliance with a safety standard.

An informal conference was held on February 25, 2004 to discuss the petition by LG&E for approval of the Ballardsville reconstruction. It is LG&E's contention that the design and construction of the Ballardsville pipeline to accommodate passage of instrumented internal inspection devices would be impracticable. After discussing the federal pipeline safety regulations and the requirements for approval of the deviation thereof, it was determined that LG&E should supplement its filing in this proceeding. On

March 19, 2004, LG&E filed the prepared testimony of Joseph R. Ryan, III to support its petition.

LG&E presented Joseph R. Ryan, III in his capacity as manager of operating policies and standards-distribution for LG&E. As part of his testimony, Mr. Ryan explained the circumstances giving rise to LG&E's request. In December 2003, LG&E replaced a total of 352 feet of a 26.5-mile gas transmission pipeline where wet creek beds had shifted and eroded the soil thus completely exposing the pipeline in two separate locations. This replacement, which involved burying the pipeline several feet below the creek bed, was required by 49 CFR Part 192.327, which sets forth the minimum requirements for "cover" over a gas transmission line. Mr. Ryan testified that these sections of pipeline were relocated using bottom-out stopper fittings that are not designed to accommodate the passage of internal inspection devices.

Mr. Ryan then testified that there were two fundamental reasons why LG&E elected to use bottom-out stopper fittings: (i) to eliminate the safety hazards attendant to the exposed pipeline as expeditiously as possible; and (ii) to provide full gas supply and pressure to prevent service disruptions to customers served directly and solely from the affected pipeline. Mr. Ryan further testified that the affected pipeline in this case is the single source of supply for 131 natural gas customers served directly from the line, and supplies 22 gas distribution facilities serving approximately 2,187 customers primarily located in the city of LaGrange, Kentucky.

LG&E's rationale for petitioning for a waiver for approval under 49 CFR Part 192.150(c) is that the pipeline as constructed meets the safety requirements of CFR 49 Part 192. Mr. Ryan stated that he was aware of a waiver based on very similar facts

that the U.S. Department of Transportation granted to the city of Fulton, Missouri, by letter dated December 29, 1999.

The Commission, having reviewed the record herein, makes the following findings:

1. LG&E has documented that the emergency replacement of two segments of the Ballardsville pipeline was necessary.

2. LG&E has documented that the shutting down of the Ballardsville pipeline would have caused an interruption of gas service to over 2,000 customers in the city of LaGrange, Kentucky and would have resulted in subsequent re-lighting difficulties.

3. LG&E has demonstrated that, under the circumstances, it was impracticable to design and construct the 352 feet of pipeline relocations to accommodate the passage of instrumented internal inspection devices and that LG&E's petition under 49 CFR Part 190.9 for approval under 49 CFR Part 192.150(c) should be granted.

The Commission, being otherwise sufficiently advised, HEREBY ORDERS that the petition under 49 CFR Part 190.9 for approval under 49 CFR Part 192.150(c) requested by LG&E is granted.

Done at Frankfort, Kentucky, this 11th day of May, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a horizontal line.

Executive Director